

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

In Re:

LLS AMERICA, LLC,

Debtor,

BRUCE P. KRIEGMAN, solely in his
capacity as court-appointed Chapter 11
Trustee for LLS America, LLC,

Plaintiff,

v.

ISAAC PETERS and MARY PETERS,

Defendants.

NO: CV-12-433-RMP

Bankr. Case No. 09-06194-PCW11

Adv. Proc. No. 11-80140-PCW11

DEFAULT JUDGMENT

THIS COURT, having previously entered an Order of Default against
Defendants Isaac and Mary Peters, ECF No. 13, and having reviewed the
previously filed Memorandum of Authorities, ECF No. 11, and the Affidavits of
Curtis Frye and Daniel J. Gibbons in Support of Plaintiff's Motion to Default
Judgment filed herewith, and being fully advised in the premises,

1 **IT IS HERBY ORDERED, ADJUDGED, AND DECREED** that the
2 Plaintiff, Bruce P. Kriegman, solely in his capacity as court-appointed Chapter 11
3 Trustee for LLS America, LLC, shall have a judgment against Defendants Isaac
4 Peters and Mary Peters as follows:

5 1. Monetary Judgment in the amount of CAD \$312,570.90 and \$84,339.10
6 USD, pursuant to 11 U.S.C. §§ 550 and RCW 19.40.071;

7 2. Transfers in the amount of CAD \$277,838.90 and \$43,487.62 USD made
8 to Defendants within four years prior to the Petition Filing Date are hereby avoided
9 and Plaintiff may take all necessary action to preserve the same, pursuant to 11
10 U.S.C. §§ 544, 550 and 551 and 548(a) and (b) and RCW 19.40.041(1) and (2)
11 and 19.40.071;

12 3. Transfers in the amount of CAD \$34,732.00 and \$40,851.48 USD made
13 to Defendants more than four years prior to the Petition Filing Date are here
14 avoided and Plaintiff may take all necessary action to preserve the same, pursuant
15 to 11 U.S.C. §§ 544, 550 and 551, and RCW 19.40.041(1) and 19.40.071;

16 4. All said transfers to Defendants Isaac and Mary Peters are hereby set
17 aside and Plaintiff shall be entitled to recover the same, or the value thereof, from
18 Defendants Isaac and Mary Peters for the benefit of the estate of LLS America,
19 pursuant to 11 U.S.C. §§ 544, 550 and 551;

5. All proofs of claim of the Defendants which have been filed or brought or which may hereafter be filed or brought by, on behalf of, or for the benefit of Defendants Isaac and Mary Peters or their affiliated entities, against the Debtor's estate, in this bankruptcy or related bankruptcy proceedings, are hereby disallowed and subordinated to the monetary judgment granted herein and Defendants Isaac and Mary Peters shall not be entitled to collect on their proofs of claim (Claim No. 21-1) until the monetary judgment is satisfied by Defendants Isaac and Mary Peters in full, pursuant to 11 U.S.C. §§ 502(d), 510(c)(1) and 105(a);

6. A constructive trust is hereby established over the proceeds of all transfers in favor of the Trustee for the benefit of the estate of LLS America; and

7. Plaintiff is hereby awarded costs (i.e. filing fees) in the amount of \$250.00 USD, for a total judgment of CAD \$312,570.90, plus \$84,589.10 USD, which shall bear interest equal to the weekly average of one-year constant maturity (nominal) treasury yield as published by the Federal Reserve System.

The District Court Clerk is directed to enter this Order, enter judgment as outlined above, and provide copies to counsel.

DATED this 7th day of December 2012.

s/ Rosanna Malouf Peterson
 ROSANNA MALOUF PETERSON
 Chief United States District Court Judge